

Conclusions

The observations included in this section are not presented as final conclusions. Rather, these comments represent a starting point from which additional questions must be asked and analysis conducted.

The data provided by CFSA was informative and provides some insight into the performance of CFSA's programs and activities. However, the data has not been independently verified. Consequently, it should be used with care to inform the Council and other stakeholders about the current state of CFSA programs and activities. As noted in the 2005 "Benchmarking in the District of Columbia" Special Studies Report, staff needs to be trained when asked to participate in data collection and benchmarking efforts.

Areas where additional efforts are needed include the following:

- **Employees:** In general, CFSA did not provide all the requested information on the distribution of its employees across management, direct service, and administrative support. In some instances, it appears that the definition of direct service providers was misunderstood as employees were noted as such in an activity that did not directly serve District residents.
- **Compensation:** Personal Service budgets do not always appear to make sense when compared to changes in FTEs. For example, at times FTEs attributed to a program are decreasing significantly while Personal Services budgets are increasing. Such inconsistencies suggest that FTEs and/or Personal Service expenditures are not accurately allocated to programs and activities. In other instances, there are Personal Service expenditures reported without any full-time equivalents noted.
- **Expenditures:** The allocation of expenditures according to the CFSA FY 2006 activity structure should be reviewed for accuracy. In some cases, activities only include personal services expenditures, without corresponding expenditures for supplies, equipment, and other likely service-related expenditures. In the context of performance budgeting, it is important to accurately allocate expenditures to each activity or service to reflect (as much as practical) the full resource requirements to achieve activity or service performance targets. Without this information, it is impossible to ensure that budgeted resources are aligned with performance targets.
- **Beneficiaries and Services:** CFSA might consider updating performance measures in the Strategic Business Plan. In particular, some of the data call sheets stressed that the performance measures reported were not indicative of all the services in the Activity. Some performance measures (e.g., some

Outputs and Demands) are reported as a percentage rather than a number. Furthermore, many of the activity Output Measures, currently defined, do not reflect the full scope of individuals served. Instead, these measures often reflect a subset of total Output, because they only count Output that achieves a defined standard of quality or timeliness. Such standards are better reserved for activity Result (or Outcome) Measures. CFSA should review the definitions of its Output Measures to ensure that they reflect the total number of individuals served or units of service provided, reserving quality or timeliness standards in defining Result Measures. Another issue concerns Output targets. In some programs and activities, targeted Output is declining even though resources (dollars and FTEs) attributed to the program or activity are increasing. These fluctuations in the total amount and the constituents of cost are having noteworthy impacts on unit costs (i.e. Efficiency Measures) which make interpretation and management of performance and financial data difficult. In the context of performance based budgeting, resources need to be accurately and consistently aligned with performance targets. The data submitted by CFSA suggests that this alignment needs improvement.

- **Beneficiaries and Unit Costs:** CFSA reported costs (or expenditures) per beneficiary or service unit (i.e., Output) for several of its activities. As the District continues to implement performance based budgeting, Efficiency Measures will become increasingly important. To obtain quality Efficiency information, CFSA will need to resolve some of the problems identified above in its allocation of expenditures across activities. Also, to accurately reflect costs (or expenditures) per Output, CFSA needs to redefine its Output Measures to better reflect the *total* number of beneficiaries served or service units delivered in an activity, not a subset that meets defined quality or timeliness standards. For example, with the cost per immunization (Efficiency Measure) of approximately \$24,400, in this instance, it would seem more appropriate to report expenditures by Service (versus by Activity) since there are other services likely included in the calculation of this Efficiency Measure.
- **Benchmarks:** CFSA did report some Benchmark measures by Activity. However, the relationship of the District to some of these jurisdictions is unclear and the measures' time frames of comparison are not the same. To improve the utility of its performance measurement, CFSA might consider, in addition to previously defined measures, using federally defined measures to track activity Outputs and Results, instead of defining new Output and Result measures. This approach has a couple of advantages: first, CFSA is already required to collect and report data on federally defined measures, so using these for performance budgeting may avoid additional measurement and reporting for locally defined measures; and second, federally defined measures are collected by all states, providing readily available benchmark data for activity Outputs and Results. Some federal measures may not be appropriate for the District or CFSA, and appropriateness needs to be taken into consideration when defining measures that will be useful for the District's performance based budgets.

The agencies should also consider benchmarking with other District agencies on comparable internal data from the Agency Management Program (e.g., personnel management expenditures per FTE, facility maintenance expenditures per square foot, etc.).

It may prove beneficial to obtain assistance with national benchmark research.